

EASTERN AND SOUTHERN AFRICA SMALL SCALE FARMERS FORUM (ESAFF)



**BREAD FOR THE WORLD
PROJECT ID A-AFK-2018-3012.**

THE PROJECT TITLED: "ENHANCING SSFS INSTITUTIONAL CAPACITY TO PARTICIPATE AND MONITOR THE IMPLEMENTATION OF THE MALABO DECLARATION GOALS IN SIX COUNTRIES OF EASTERN AFRICA AND SOUTHERN AFRICA"

**PROJECT FINANCIAL STATEMENTS FOR THE PERIOD OF
1ST JULY 2019 TO 31ST DECEMBER 2019**



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EASTERN AND SOUTHERN AFRICA SMALL SCALE FARMERS FORUM (ESAFF)

**BREAD FOR THE WORLD PROJECT
ID A-AFK-2018-3012.**

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EASTERN AND SOUTHERN AFRICA SMALL SCALE FARMERS' FORUM (ESAFF)

**ORGANIZATION INFORMATION FOR THE PERIOD OF
1STJULY 2019 TO 31ST DECEMBER 2019**

PRINCIPAL PLACE OF ACTIVITIES

Eastern and Southern Africa Small
Scale Farmers Forum (ESAFF)
Morogoro Postal Building
P. O. Box 1782
Morogoro, Tanzania

REGISTERED OFFICE

Eastern and Southern Africa Small
Scale Farmers Forum (ESAFF)
P. O. Box 1782
Morogoro, Tanzania

BANKERS

Exim Bank (T) LTD
Lumumba Road
P.O. Box 6033
Tel. +255 23 2601591
Morogoro, Tanzania

REGIONAL COORDINATOR

Mr. Joseph Mzinga
Eastern and Southern Africa Small
Scale Farmers Forum (ESAFF)
P. O. Box 1782, Morogoro, Tanzania
Tel. +255782486183
E-mail: coordinator@esaff.org

ORGANIZATION CHAIRMAN

Mr. Hakim Baliraine
Malaba High Way
P.O. Box: 34420
Kampala, Uganda
Mobile No: +256 782056272
Email: hakimbaliraine@yahoo.co.uk

AUDITORS

Moria Associates
Certified Public Accountants
Zanaki Street
Plot 222, Block 41
P. O. Box 13975
Dar es Salaam, Tanzania
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STATEMENT OF BOARD AND SECRETARIAT'S RESPONSIBILITIES AND ACTIVITIES ON THE PROJECT FINANCIAL STATEMENTS FOR THE PERIOD OF 1STJULY 2019 TO 31ST DECEMBER 2019

1.0 Introduction

The Board and Secretariat of the Eastern and Southern Africa Small Scale Farmers Forum (ESAFF) presents this report of the project titled "Enhancing Small Scale Farmers (SSFs) capacity to participate and monitor the implementation of AU Malabo Goals in six countries (Lesotho, eSwatini formerly Swaziland, South Africa, as well as Kenya, Rwanda and Burundi)". The report is for the period of 1st July to 31stDec 2019. The report presented together with the audited statement of receipts and expenditures accompanied. This is a final report of the last six months emanating from the entire period of two-year project commencing from 1st January 2018 to 31st December 2019. The final report discloses the status of receipts and expenditures of the project.

The project is implemented in partnership between the Eastern and Southern Africa Small Scale Farmers Forum (ESAFF) referred as Project Partner, and Bread for the World (BftW) referred as financing partner under the Cooperation Agreement No. **A- AFK-2018-3012**.

2.0 Partner's Duties and Responsibilities

Both Partners, under the provisions of the corporation of agreement, agreed to implement the project at a total cost of **Euro 255,000** of which is contributed by Financing Partner. The Project partner is assigned to undertake the responsibility of implementing the project and preparation of physical and financial reports.

3.0 Project Activities implemented

During the period of **1st July 2019 to 31stDecember 2019**, Project Partner carried out agreed activities. The activities included;

- (i) Supporting coordination of ESAFF members implementing the project through recruitment, mentoring and retention of national coordinators (personnel) in the three East African member countries of ESAFF Burundi, KESSFF - Kenya and ESAFF Rwanda/ APPE);
- (ii) Securing office spaces (rent) for the three countries in East Africa and communication facilities;
- (iii) Annual Joint Reflection and Learning Workshop that was organized in November 2019 in Arusha – Tanzania. The workshop brought together members from East African countries; ESAFF Burundi, KESSFF and APPE Rwanda (BKR) to share lessons with South African countries (ESAFF Lesotho, ESAFF eSwatini and ESAFF South Africa). The Southerners had implemented likewise project a year before

STATEMENT OF BOARD AND SECRETARIAT'S RESPONSIBILITIES AND ACTIVITIES ON THE PROJECT FINANCIAL STATEMENTS FOR THE PERIOD OF 1STJULY 2019 TO 31ST DECEMBER 2019

the East Africans. During the workshop ESAFF Uganda representative was invited too to share lessons on how they managed to grow in areas of governance, financial management, networking and advocacy compared to other members that started in the same time. Some of major lessons included embracing good governance and transparency, partnering with strong organization/networks like PELUM Uganda for increased advocacy leverage, and strategically fundraising activities which should start small and grow step by step;

- (iv) National members from eLS (ESAFF eSwatini, ESAFF Lesotho and ESAFF South Africa) and BKR (ESAFF Burundi, KESSFF and APPE Rwanda) attended Project Planning and Management training that aimed at increasing their knowledge on how to carry out advocacy actions in a successful way also enrich their knowledge on fundraising; and
- (v) Country by country participatory assessment of the project countries (eSwatini, Lesotho, South Africa as well as Burundi, Kenya and Rwanda) to determine the level of growth, capacity, challenges and lessons learnt. Local consultants were engaged to assess the progress of Influence III project on institutional development (Identity, Governance, and Financial Management, Networking capability as well as Advocacy to influence national governments and regional authorities on the implementation of the MALABO commitment.

4.0 Financial Performance

4.1 Revenue

During the period of six months (July 2019- Dec 2019) Project Partner, ESAFF, received a total of **EUR 56,173.4** from Financing Partner- BftW, for the six months period. The revenue was added up by the opening balance of EUR 2,623.98 to make total revenue at EUR 58,797.38. The financial revenue for the project is as shown in a following table below;

Source of Fund	Amount 1 st July 2019- 31 st Dec 2019	
	TZS	EUR
Financing Partner	139,706,824.6	56,173.4
Add Opening Balance July 19	6,764,643	2,623.98
Total	146,471,467.6	58,797.38

STATEMENT OF BOARD AND SECRETARIAT'S RESPONSIBILITIES AND ACTIVITIES ON THE PROJECT FINANCIAL STATEMENTS FOR THE PERIOD OF 1STJULY 2019 TO 31ST DECEMBER 2019

4.2 Expenditure

The total Project expenditure budget for two-year period is **EUR 255,000** equivalent to **TZS 681,380,400**. The total expenditure incurred by Project Partner amounts to **TZS150,055,075.54** equivalent to **EUR60,334.32** during the Audit Period of July –December 2019. (*Note: Exchange rate used is the average of when the income was received 1EUR=TZS 2,487.06.*)

The expenditure performance during the reporting period is summarized in the table below;

4.3 Expenditure Categories for the period of July–December 2019

Expenditure Categories	Amount 1 st July 2019- 31 st December 2019	
	TZS	EUR
Program Cost	104,619,987.62	42,065.73
Personnel Cost	19,500,000.00	7,840.58
Administration Cost	25,935,087.92	10,428.01
Total	150,055,075.54	60,334.32

5. Project Fund Balance

Basing on actual receipts and expenditures incurred during the six months period, the balance remaining unutilized amounts to **(TZS 3,583,607.94)** equivalent to **(EUR 1,536.94)**.

STATEMENT OF BOARD AND SECRETARIAT'S RESPONSIBILITIES AND ACTIVITIES ON THE PROJECT FINANCIAL STATEMENTS FOR THE PERIOD OF 1ST JULY 2019 TO 31ST DECEMBER 2019

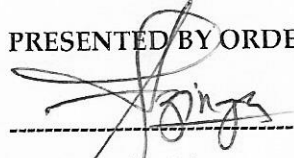
The Tanzanian NGO Compliance Act requires the Board and Secretariat to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the organization as at the end of the financial year and of its operating for that year. It also requires the Managements to ensure that the organization maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the organization. The Managements are also responsible for safeguarding the assets of the organization and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Board and Secretariat accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Tanzanian NGO Compliance Act. The Managements accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

The Managements are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Organization and of its operation result. The Managements further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control including accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the Managements to indicate that the Organization will not remain a going concern for at least twelve months from the date of this statement.

PRESENTED BY ORDER OF DIRECTORS



Mr. Joseph Mzinga
REGIONAL COORDINATOR

Date: 28th March 2020

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF EASTERN
AND SOUTHERN AFRICA SMALL-SCALE FARMERS FORUM
(ESAFF) PROJECT AND TO BREAD FOR THE WORLD. ("BFDW")**



MORIA ASSOCIATES
Certified Public Accountants

Unqualified Opinion

We have audited the financial statements of ESAFF Project, which comprise the income/receipts statement and the expenditure/payments statement for the six-month period ended 31st December 2019 and the balance of project funds and cash status statement as at that date. The statements have been prepared by the management of ESAFF Project based on the financial reporting provisions of the Agreement of Cooperation dated 10 October, 2017 between the Project and BfdW ("the agreement").

In our opinion,

1. ESAFF Project has adhered, in all material respects, to the terms of the Agreement of Cooperation with BfdW;
2. The project funds have been used, in all material respects, exclusively for the purposes of the project in accordance with the Agreement of Cooperation and the budget; and
3. The financial statements of ESAFF Project for the six-month period ended 31st December 2019 show a true and fair view of its income and expenditure for the period and of its funds and cash status at that date.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements in [jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to the fact that the financial statements have been prepared on the receipts and payments basis of accounting and in accordance with other reporting requirements of BfdW. The financial statements are prepared to assist ESAFF Project to comply with the financial reporting provisions of the agreement referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for ESAFF Project and BfdW and should not be distributed to or used by parties other than ESAFF Project or BfdW. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of the agreement, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease the project or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it does not guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

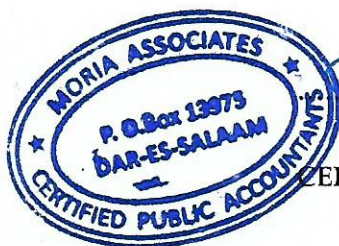
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ESAFF's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

28/03/2020

Date

DAR ES SALAAM



DAUDI ABDALLAH

CERTIFIED PUBLIC ACCOUNTANTS

IN PUBLIC PRACTICE

Financial Report

Project Number and Title: **A-AFK-2018-3012"Enhancing SSFs Instutional Capacity to participate and Monitor the implementation of the MALABO Declaration Goals in six countries of Eastern Africa and**

Project Partner: **ESAFF**

Reporting Period: **1st July - 31st December 2019**

Project Period: **January 2018 - December 2019**

I. INCOME / Receipts 2,550.00

Sources of Income	Total Budgeted Income of whole project (in EURO)	Total Budgeted Income of whole project (in National Currency)	Income (in National Currency)						TOTAL Income Period 1 to 6
			1. Reporting Jan-June 18 period	2. Reporting July-Dec 18 period	3. Reporting Jan-June 19 period	4. Reporting July-Dec 19 period	5. Reporting period	6. Reporting period	
Period covered									
1. Funds from other Sources than Financing Partner									
1.0 Remaining Funds of Previous Project									
1.1 Monetary Contribution of Target Groups									
1.2 Own Means of Project Partner									0.00
1.3 Funds by National Churches									
1.4 Further National Funds									
1.5 Funds by International Churches									
1.6 Further International non-church Funding									
1.7 KZE-Funding (provided by Misereor)									
1.8 Further Funding by German Federal Sources									
1.9 Further Funding by German Churches									
1.10 Interest and exchange rate gains from other sources than Financing Partner									
Total Funds provided by other Sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Funds provided by the Financing Partner	255,000.00	650,250,000.00							
2.1 Transfer									
Transfer			133,484,778.60	175,642,502.00	190,496,154.00	139,706,824.60			
Transfer									
Total Transfers			133,484,778.60	175,642,502.00	190,496,154.00	139,706,824.60	0.00	0.00	639,330,259.20
2.2 Interest									0.00
2.3 Exchange-rate gains									0.00
Total Income Financing Partner	0.00	0.00	133,484,778.60	175,642,502.00	190,496,154.00	139,706,824.60	0.00	0.00	639,330,259.20
3. TOTAL	255,000.00	650,250,000.00	133,484,778.60	175,642,502.00	190,496,154.00	139,706,824.60			639,330,259.20

Notes (if necessary):

List of debit notes (considered in project account of financing partner as income).
Debit notes are also mentioned in footnote as project expenditure.
(refer to Expenditure sheet)

Debit Note N°	Amount (in National Currency)

II. Expenditure / Payments

	Budget Item	Total budgeted expenditure (in EURO)	Total budgeted expenditure (in National Currency)	Expenditure /payments (in National Currency)				TOTAL -Expenditure Period 1 to 4
				1. Reporting Jan- June 18	2. Reporting July-Dec 18	3. Reporting Jan- June 19	4. Reporting July- December 19	
	Period covered:							2,550.00
1	Project activities							
1.1	(Y1 LSS;Y2 BKR)	61,500.00	156,825,000.00					
1.1.1	Support of national coordination in LSS and BKR countries (12months each)	42,000.00	107,100,000.00	27,577,570.00	25,527,605.80	22,414,782.00	26,789,950.80	102,309,908.60
1.1.2	to regional level	13,000.00	33,150,000.00	15,741,390.00		13,835,300.00		29,576,690.00
1.1.3	action plan	6,500.00	16,575,000.00		17,667,649.00			17,667,649.00
1.2	plans and budgets	49,000.00	124,950,000.00					
1.2.1	Train small farmers in 4 districts on Malabo & NAIPs	6,000.00	15,300,000.00			14,973,537.00		14,973,537.00
1.2.2	Conduct analysis of relevant policies, plans and budgets	6,000.00	15,300,000.00		5,818,865.62	6,709,800.00	2,765,800.00	15,294,465.62
1.2.3	Support establishment and use of PETS in 3 districts-translate PETS manual in local	18,000.00	45,900,000.00	9,021,055.00	1,664,740.00	35,551,951.00		46,237,746.00
1.2.4	Develop and Update a national Farmers position paper on Malabo and NAIPs	6,000.00	15,300,000.00		6,888,718.65	4,920,830.00	4,373,121.00	16,182,669.65
1.2.5	Support participation in planning + budgeting meetings at district and national levels	10,500.00	26,775,000.00	11,421,837.00		14,403,451.00	19,286.00	25,844,574.00
1.2.6	Support small farmers in an agro-ecology (seed purifications) project	2,500.00	6,375,000.00	3,017,880.00	3,424,010.00			6,441,890.00
1.3	Facilitate Networking within ESAFF and with stakeholders	32,200.00	82,110,000.00					
1.3.1	dynamic website	4,000.00	10,200,000.00	7,229,150.00	3,530,000.00			10,759,150.00
1.3.2	Support networking and mutual support between members esp. SA group and EA group	2,200.00	5,610,000.00		5,743,600.00			5,743,600.00
1.3.3	learn; new funding opportunities	26,000.00	66,300,000.00		36,382,380.00		32,642,045.00	69,024,425.00
1.4	Consultancy	30,000.00	76,500,000.00					
1.4.1	Consultancy to ESAFF on net-work development and special issues	15,000.00	38,250,000.00		19,892,199.60	8,281,960.00	11,848,870.00	40,023,029.60
1.4.2	Consultancy and support to members in the project	15,000.00	38,250,000.00		19,870,472.00		17,194,502.00	37,064,974.00
2.0	Personnel	31,200.00	79,560,000.00					
2.1	Regional Coordinator (2000 EUR/m; 20%)	9,600.00	24,480,000.00	6,412,992.00	6,412,992.00	6,412,800.00	6,412,800.00	25,651,584.00
2.2	Project Manager (1000 EUR/m 60%)	14,400.00	36,720,000.00	9,619,488.00	9,619,488.00	9,619,200.00	9,619,200.00	38,477,376.00
2.3	Accountant (1500 EUR/m 20%)	7,200.00	18,360,000.00	4,785,736.36	4,785,736.36	4,809,600.00	3,468,000.00	17,849,072.72
3.0	Administration	44,600.00	113,730,000.00					
3.1	Rent & communication support for country coordination offices (12months each)	14,400.00	36,720,000.00	6,833,537.00	6,844,437.30	7,257,666.00	11,112,077.00	32,047,717.30
3.2	Office (rent, maintenance, security, communication)	17,800.00	45,390,000.00	12,263,472.00	11,499,600.00	17,552,024.00	5,663,572.00	46,978,668.00
3.3	Audit and Bank charges	12,400.00	31,620,000.00	5,867,075.65	6,580,050.00	10,074,583.26	9,159,438.92	31,681,147.83
4.0	Procurement	1,200.00	3,060,000.00					
1200	Assist in getting key office tools	1,200.00	3,060,000.00			3,202,580.00		3,202,580.00
5.0	Construction							
6.0	Evaluations							
	Subtotal	249,700.00	636,735,000.00					
7.0	Reserve (max. 5% of subtotal)	6,500.00	16,575,000.00			895,000.00	8,986,412.82	9,881,412.82
	Percentage of reserve in subtotal							
	Total expenditure	255,000.00	650,250,000.00	119,791,183.01	192,152,544.33	180,915,064.26	150,055,075.54	642,913,867.14

Comments (if necessary):

List of debit notes (not included in expenditure), as informed by Financing Partner
Debit notes are also mentioned in footnote as income from the Financing Partner
(refer to Income sheet).

BfdW approved ESAFF to use reserve funds amounting EUR 5.300 for review and planning activity.

We confirm to receive the copy of approval letter from BftW to ESAFF with reference letter dated 16.04.2019.

Debit Note N°

Amount (in National Currency) Budget item N°

Project Number and Title:

A-AFK-2018-3012 "Enhancing SSFs Institutional Capacity to participate and Monitor the implementation of the MALABO

III. Balance of Project Funds and Cash Status

Reporting period:

1st July - 31st December 2019

NC

1. Balance of Project Funds at start of reporting period		6,764,643.00	
2. Add: Total income during the reporting period	+	139,706,824.60	
3. Less: Total expenditure during the reporting period	-	150,055,075.54	
4. Balance of Project Funds at the end of the period		<u>(3,583,607.94)</u>	(A)
5. Cash Status:		146,471,467.60	
Cash at hand:			
Cash at bank:	+	-	
		<u>-</u>	(B)
Reconciliation of difference between (A) and (B), if any:		(3,583,607.94)	

6. Details of major prepayments and liabilities:

Accrued audit fee (July 2019 - December 2019)

3,583,607.94

This is to confirm that the contents of the report are in accordance with the Budget and the Agreement of Cooperation entered into by the Project Partner and the Financing Partner.

Notes
(if necessary):

MOROORO, 28th 03 2020

(Place, Date)

JORDH E MZINCA

(Name and Signature of authorised Signatory)

**EASTERN AND SOUTHERN AFRICA SMALL SCALE FARMERS FORUM (ESAFF)
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
STATEMENTS FOR THE PERIOD FROM 1ST JULY 2019 TO 31ST DECEMBER 2019**

1. General Information

The board and secretariat of the Eastern and Southern Africa Small Scale Farmers Forum (ESAFF) presents this report of the project titled Enhancing SSFs capacity to participate and monitor the implementation of AU Malabo Goals in six countries (Lesotho, Swaziland, South Africa, Kenya, Rwanda and Burundi for the period of 1st July 2019 to 31st December 2019 together with the audited statement of receipts and expenditures accompanied.

The project is implemented in partnership between Eastern and Southern Africa Small Scale Farmers Forum (ESAFF) referred as Project partner and Bread for the World referred as financing partner under the Cooperation agreement no. **A- AFK-2018-3012**.

2. Principal Activities of Project

During the period of 1st July 2019 to 31st December 2019 Project Partner carried out various activities related with implementation of the project of Enhancing SSFs capacity to participate and monitor the implementation of AU Malabo Goals in six countries (Lesotho, eSwatini-formerly Swaziland, South Africa, Kenya, Rwanda and Burundi. The activities include Coordination (personnel) support in the three countries (Burundi, Kenya and Rwanda), securing office space (rent), Support establishment and use of PETs in 3 districts, annual reflection, review and documentation, Conducting analysis of relevant policies, plans and budgets, Use of National Farmers Position paper on Malabo and NAIPs, Conduct joint inception strategic Workshop and OCA with 3 EA countries and develop action plan, Conduct Annual regional workshop -reflection on key advocacy issues of the year; lessons learnt; new funding opportunities, Maintain ESAFF website and assist 7 national members to develop own dynamic websites, Consultancy to ESAFF on net-work development and special issues, Maintaining ESAFF Regional Office and Personnel and Auditing

3. Basis of Preparation Financial Statements and Accounting Policies

Financial Statements have been prepared under cash basis of accounting.

4. Receipts

Receipts as reflected in the financial statements comprise of funds disbursed by Bread for the world as part of the grants for the implementation of Enhancing SSFs capacity to participate and monitor the implementation of AU Malabo Goals in six countries (Lesotho, eSwatini, South Africa, Kenya, Rwanda and Burundi. The receipt are recognized on cash basis

**EASTERN AND SOUTHERN AFRICA SMALL SCALE FARMERS FORUM (ESAFF)
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
STATEMENTS FOR THE PERIOD FROM 1ST JULY 2019 TO 31ST DECEMBER 2019**

5. Payments

Expenditures financed from the grant are recognized at the time of payment. Expenditure for capital items are not capitalized and carried forward with the project funds but are expensed through the statement of receipts and payments in the period of purchase.

6. Foreign Currencies

Non-monetary foreign currency items and transactions are translated into Tanzania Shillings (TZS) using the exchange rate prevailing at the respective dates of the transactions. Monetary assets in foreign currencies are expressed in Tanzania shillings by applying the rate of exchange ruling at the reporting date

Foreign Exchange difference is the difference resulting from translating a given number of units of one currency into another currency at exchange rate different from that of its initial transaction recognition.

7. Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

8. Reserve Funds

Reserve is the funds which used for unforeseen expenditure or to cover cost overruns of the project.

BfdW approved ESAFF to use reserve funds amounting EUR 5.300 for review and planning activity.

We confirm to receive the copy of approval letter from BfdW to ESAFF with reference letter dated 16.04.2019.